

## Claims

What is claimed is:

1. A method of trading instruments on a trading system  
5 in which a plurality of counter-parties trade with each other comprising the steps of:

displaying to a first party a quote having the best price in the market for which a third party has credit to deal;

- 10 initiating by the first party a trade at the best price, wherein the trade is conducted by executing a first deal between the third party and the counter-party owning the best price quote; and

- 15 executing a second deal between the third party and the first party, the amount of the second deal being the same as the amount of the first deal.

2. A method according to claim 1, wherein the second deal is executed at the same price as the first deal.

20

3. A method according to claim 1 wherein the second deal is executed at a different price to the first deal, the price difference representing the fee charged by the third party for participating in the first deal.

25

4. A method according to claim 1, wherein the first deal is performed by the third party only if bilateral credit does not exist between the first party and the counter-party owning the best price quote.

30

5. A method according to claim 1, comprising additionally displaying quotes in the market that are available to the first party dealing directly.

35

6. A method according to claim 1, comprising displaying at the first party a single quote representing the best

price that is available by trading either direct or through said third party.

7. A method according to claim 1, comprising assigning  
5 a deal code to the third party, the deal code being unique to quotes submitted or hit by the third party on behalf of other parties.

8. A method according to claim 1, wherein the third  
10 party assigns a credit limit for trades conducted on behalf of the first party, the method comprising checking the amount of the quote forming the first deal against the credit limit prior to deal execution by the third party.

9. A method according to claim 1, wherein the trading  
15 system comprises a matching engine for matching quotes, and the initiation of a trade by the first party comprises submitting a hit order to the matching engine, the hit order including an indication that the deal is to be  
20 conducted through the third party, and wherein the matching engine sends an electronic message to the third party asking the third party to confirm that it will act on behalf of the first party.

10. A method according to claim 1, wherein the trading  
25 system comprises a matching engine for matching quotes, and the initiation of a trade by a first party comprises submitting a quote to the matching engine via the third party, the quote being displayed to other parties trading  
30 on the system as a quote from the third party.

11. A method according to claim 1, wherein the trading  
system comprises a matching engine for matching quotes, and the initiation of a trade by a first party comprises  
35 submitting a quote to the matching engine via the third party, the quote being displayed to other parties trading on the system as a quote from the first party.

12. A method according to claim 10, wherein the matching engine matches the quote submitted via the third party using the first party's credit, and in the absence of first party credit, with the third party's credit.

13. A method according to claim 11, wherein the matching engine matches the quote submitted via the third party using the first party's credit, and in the absence of first party credit, with the third party's credit.

14. A method according to claim 1, wherein the trading system includes a matching engine and a plurality of possible third parties and the matching engine selects a third party to conduct the deal on behalf of the first party.

15. A method according to claim 1, wherein the trading system includes a plurality of possible third parties and the first party using a third party to deal on their behalf selects which third party to use for a given deal.

16. A method according to claim 1, comprising, on completion of the second deal, sending a deal ticket to each of the parties to the first and second deals.

17. A method according to claim 16, comprising sending a deal ticket to the third party for each of the first and second deals.

18. A method according to claim 8, wherein if the credit available for trades conducted on behalf of the first party falls below a defined level, the display to the first party of prices available by trading through the third party is suppressed.

19. A method according to claim 1, wherein the trading system is an anonymous trading system.

5 20. A method according to claim 7, wherein the third party assigns credit to each of the counterparties trading on the trading system with whom he is willing to trade, comprising allocating a portion of the credit assigned to each counterparty to the deal code assigned to deals conducted on behalf of other parties.

10

21. A method according to claim 20, wherein the credit assigned to the deal code through which deals are conducted on behalf of other parties is subdivided into an allocation for each of the other parties on whose behalf  
15 the third party acts.

22. A method according to claim 1, comprising executing a third deal between the first party and a customer of the first party.

20

23. A method according to claim 22, wherein the amount of the third deal is the same as the amounts of the first and the second deals.

25 24. A method according to claim 23, wherein the price at which the third deal is executed is the same as the price at which the second deal is executed.

30 25. A method according to claim 23, wherein the price at which the third deal is executed is different from the price at which the second deal is executed, the difference representing a fee charged by the first party to its customer for participating in the third deal.

35

26. A method according to claim 1, wherein the first party comprises a hedge fund having a plurality of funds, comprising entering a list of the plurality of funds into the trading system.

5

27. A method according to claim 26, comprising providing the list of the plurality of funds to the third party.

28. A method according to claim 27, comprising, at the third party, mapping the plurality of funds onto codes held by the third party.

29. A method according to claim 26, wherein completed deals are fed to the first party via a deal feed or automated trading interface, and wherein the first party breaks the completed deal into a plurality of linked deals related to the plurality of funds in the hedge fund.

30. A method according to claim 29, wherein the trading system generates a deal ticket on completion of a deal, the deal ticket including information enabling said linked deals to be broken out by the hedge fund.

31. A method according to claim 1, wherein the trading system includes a plurality of possible third parties through whom the first party can trade, comprising displaying at a first party prices available from the plurality of possible third parties.

32. A method according to claim 1, wherein the trading system includes a plurality of possible third parties through whom the first party can trade, comprising displaying at a first party trader terminal the best price available from any of the possible third parties.

35

33. A method according to claim 1, wherein the trading system includes a plurality of possible third parties

through whom the first party can trade, comprising displaying at a first party trader terminal the best price available by trading either via one of the possible third parties or direct with the counterparty.

5

34. A method according to claim 8, wherein, on completion of a trade by the third party on behalf of the first party the credit limit assigned by the third party to the first party for trades conducted on its behalf is adjusted by the amount of the deal, the direction of adjustment for a buy deal being opposite to the direction of a sell deal.

35. A method according to claim 1, wherein the trading system matches orders from counterparties in price, time order, the method comprising matching quotes submitted by the third party trading on its own behalf with quotes submitted by the first party in preference to other earlier quotes at the same price.

20

36. A method according to claim 35, wherein a deal resulting from the matching of said third party quote and said first party quote is executed as a regular direct deal between the first and third parties.

25

37. A method according to claim 1, comprising displaying at the third party a list of orders submitted by the third party on behalf of one or more first parties.

30

38. A method according to claim 37, wherein the list is displayable as an order panel in a terminal display at the third party.

35

39. A method according to claim 37, wherein a first party can grant permission for orders submitted by them via the third party to be displayed to the third party.

40. A method according to claim 1, comprising the third party submitting a list of first parties on whose behalf it is willing to trade to the trading system.

5 41. A method of executing trades on a trading system comprising a plurality of counter-parties, comprising:  
displaying to a first trading party on the system the best price available by trading through a third party;  
executing a first deal between the third party and  
10 the party offering the best price; and  
executing a second deal between the third party and the first trading party for the same amount as the amount of the first deal.

15 42. A trading system for trading fungibles between counter-parties, the trading system comprising:  
a matching engine for matching quotes for execution of deals;  
a plurality of trading floors for receiving price  
20 information relating to quotes submitted by counterparties with whom the trading floors have credit; the price information communicated to at least one trading floor including the best price in the market for which a third party has credit to deal;  
25 a trade initiator at a first party trading floor for initiating a trade at the best price, the trade being conducted by executing a first deal between the third party and the counter-party owning the best price quote; and  
30 wherein the third party comprises software for executing said first deal and executing a second deal between the third party and the first party, the amount of the second deal being the same as the amount of the first deal.

35

43. A system according to claim 42, wherein the third party software causes the second deal to be executed at the same price as the first deal.

5 44. A system according to claim 42, wherein the third party software causes the second deal to be executed at a different price to the first deal, the difference representing the fee charged by the third party for participating in the first deal.

10 45. A system according to claim 42, wherein the deal initiation routine includes a credit check routine whereby the deal is performed by the third party only if bilateral credit does not exist between the first party and the  
15 counter-party owning the best price quote.

46. A system according to claim 42, wherein the trading floors each comprise at least one trading terminal

20 47. A system according to claim 42, wherein at least one of the trading floors comprises an automated trading interface for submitting quotes to the trading system in response to predetermined market conditions.

25 48. A system according to claim 42, wherein each of the plurality of trading floors has an assigned deal code to identify that trading floor to other parties trading on the system, wherein the third party includes a further deal code unique to trades made by the third party but  
30 initiated by other parties.

49. A system according to claim 42 comprising a deal ticket generator for generating and sending a deal ticket for the first deal to the third party and the party owning  
35 the best price quote in respect of the first deal, and a further deal ticket to the third party and the first party in respect of the second deal.



50. A system according to claim 42, wherein the trading system is an anonymous trading system.

5 51. A system according to claim 42, comprising an order sender for sending a hit order to the matching engine, the hit order including an indication that the deal is to be conducted through the third party; and

10 at the matching engine, a messenger for sending an electronic message to the third party asking the third party to confirm that it will act on behalf of the first party.

15 52. A system according to claim 42, wherein the third party comprising a quote submitter for sending a quote to the matching engine on receipt of a trade initiation message from the first party trading floor.

20 53. A trading system according to claim 42, comprising a plurality of possible third parties for executing said first deal on behalf of the first party, wherein the matching engine comprises a selection mechanism for selecting one of the possible third parties.

25 54. A trading system according to claim 42, comprising a plurality of possible third parties for executing said first deal on behalf of the first party, wherein the first party trading floor comprises a selection mechanism for selecting one of the possible third parties.

30 55. A trading system according to claim 42, wherein the first party trading floor comprises at least one display, said display showing the best prices in the market available by trading direct with a counterparty or via a  
35 third party.

56. A trading system according to claim 55, wherein the display includes the best prices in the market available by trading via a each of a plurality of third parties.

5 57. A trading system according to claim 55, wherein the displays a single best price in the market available by trading direct with a counterparty or via a third party.

10 58. A trading system according to claim 42, wherein the third party assigns credit to each of the counterparties trading on the trading system with which the third party is willing to trade, comprising a credit allocator at the third party for allocating a portion of the credit assigned to each counterparty to deals conducted on behalf  
15 of other parties.

59. A system according to claim 58, wherein the credit assigned to deals conducted on behalf of other parties is assigned to a deal code reserved for deals conducted on  
20 behalf of third parties.

60. A system according to claim 42, comprising means at the first party for executing a third deal on behalf of a customer of the first party, the amount of the third deal  
25 being the same as the amounts of the first and second deals.

61. A system according to claim 60, wherein the price at which the third deal is executed is the same as the price  
30 at which the second deal was executed.

62. A system according to claim 42, wherein the first party trading floor comprises a hedge fund having a plurality of funds, the first party trading floor  
35 comprising a mechanism for entering a list of the plurality of funds into the trading system.

63. A system according to claim 62, comprising means for providing the list of hedge funds to the third party.

5 64. A system according to claim 62, comprising a fund mapper at the third party for mapping the funds onto codes held at the third party.

10 65. A system according to claim 62, comprising a deal feed or automated trading interface for feeding completed deals to the first party trading floor, the first party trading floor comprising a fund separator for breaking the completed deals into a plurality of linked deals related to the plurality of funds in the hedge fund.

15 66. A system according to claim 42, wherein the matching engine matches quotes from counterparties in price, time priority, wherein the matching engine comprises software for overriding the price, time priority to match quotes submitted by the third party trading on its own behalf  
20 with quotes submitted by the first party in preference to earlier quotes at the same price.

25 67. A system according to claim 42, wherein the third party comprises a display for displaying a list of quotes submitted by the third party on behalf of one or more first parties.

30 68. A system according to claim 67, comprising permissioning software at the first party for granting permission to the third party to display orders submitted by them via the third party.

35 69. A system according to claim 67, wherein the list of quotes is displayed in an order panel.

70. A system according to claim 42, wherein each counterparty trading floor trading on the system has a

unique trading floor deal code, and the third party assigns a unique deal code to trades made on behalf of said first party and other parties to form a virtual trading floor.

5

71. A system for executing trades on a trading system comprising a plurality of counter-parties, comprising:

software for executing a first deal between a third party and a party offering the best price, the third party trading on behalf of a first party; and

software for executing a second deal between the third party and the first trading party for the same amount as the amount of the first deal.

72. A system according to claim 46, comprising, at the first party, a trader terminal for displaying the best price available by trading through the third party.

73. A system according to claim 71, wherein each counterparty trading on the system comprises a trading floor having a deal code to identify the trading floor, wherein the third party includes a prime broker deal code for trades executed on behalf of the first party and other parties trading on the system.

25

74. A system according to claim 73, comprising software at the third party for sending the prime broker deal code to the party offering the best price on completion of the first deal to identify the counterparty to the deal to the party offering the best price.

30

75. A system according to claim 71, comprising, at the third party, a credit allocator for assigning credit limits for trades between the third party and other parties trading on the trading system with which the third party is willing to trade, the credit allocator

35

assigning a portion of the credit limit assigned to a given counterparty to trades conducted on behalf of other parties.

5       76. A system according to claim 71, wherein the system comprises a plurality of participating trading floors, a plurality of trading floors including said software for executing a deal on behalf of a first party and for executing said second deal, wherein a first party has a  
10       choice of third party to execute a given deal, the system comprising a display of the first party trading floor of the best prices available by trading via a third party trading floor.

15       77. A system according to claim 71, wherein the system comprises a plurality of participating trading floors, a plurality of trading floors including said software for executing a deal on behalf of a first party and for executing said second deal, wherein a first party has a  
20       choice of third party to execute a given deal, the system comprising a display of the first party trading floor of the best prices available by trading via a plurality of third party trading floors.

25       78. A system according to claim 71, comprising software at the first party for executing a third deal between the first party and a customer of the first party for the same amount as the first and second  
30       deals.

30       79. A system according to claim 71, comprising a deal ticket generator for generating and sending to the third party and the counterparty to the first deal, a deal ticket in respect of that deal, and generating and  
35       sending to the first and third portions a deal ticket in response of the second deal.

80. A system according to claim 71, wherein the system includes a matching engine for matching received orders according to matching rules including order price and time, the matching engine comprising software for  
5 varying the matching rules to match orders submitted by the third party trading on its own behalf with orders submitted by the first party in preference to other earlier orders at the same price.

10 81. A computer program product comprising computer code stored on a storage medium which, when run on a trading system for trading instruments between counterparties enables the system to perform the steps of:

displaying to a first party a quote having the best  
15 price in the market for which a third party has credit to deal;

initiating by the first party a trade at the best price, wherein the trade is conducted by executing a first deal between the third party and the counter-party owning  
20 the best price quote; and

executing a second deal between the third party and the first party, the amount of the second deal being the same as the amount of the first deal.

25 82. A computer program product according to claim 81, wherein the code causes the second deal to be executed at the same price as the first deal.

30 83. A computer program product according to claim 81, wherein the code causes the second deal to be executed at a different price to the first deal, the price difference representing the fee charged by the third party for participating in the first deal.

35 84. A computer program product according to claim 81, wherein the code causes the first deal to be performed by

the third party only if bilateral credit does not exist between the first party and the counter-party owning the best price quote.

5        85.    A computer program product according to claim 81, wherein the code causes the trader terminal additionally to display the prices in the market that are available to the party dealing directly.

10       86.    A computer program product according to claim 81, wherein the code causes a trader terminal at the first party to display a single price representing the best price that is available by trading either direct or through a third party.

15       87.    A computer program product according to claim 81, comprising code for assigning a deal code to the third party, the deal code being unique to quotes submitted or hit by the third party on behalf of another party.

20       88.    A computer program product according to claim 81, wherein the code causes the third party to assign a credit limit for trades conducted on behalf of the first party, the method comprising checking the amount of the quote  
25       forming the first deal against the credit limit prior to deal execution by the third party.

30       89.    A computer program product according to claim 81, wherein the anonymous trading system comprises a matching engine for matching quotes, and the code causing  
initiation of a trade by the first party comprises code for submitting a hit order to the matching engine, the hit order including an indication that the deal is to be  
conducted through the third party, and wherein the code  
35       causes the matching engine to send an electronic message to the third party asking the third party to confirm that it will act on behalf of the second party.

90. A computer program product according to claim 81,  
wherein the anonymous trading system comprises a matching  
engine for matching quotes, and the code causing  
5 initiation of a trade by the first party comprises code  
for submitting a quote to the matching engine via the  
third party, and code for displaying to other parties  
trading on the system as a quote from the third party.

10 91. A computer program product according to claim 81,  
wherein the anonymous trading system comprises a matching  
engine for matching quotes, and the code causing  
initiation of a trade by the first party comprises code  
for submitting a quote to the matching engine via the  
15 third party, and code for displaying to other parties  
trading on the system as a quote from the first party.

92. A computer program product according to claim 91,  
wherein the matching engine matches the quote submitted  
20 via the third party using the first party's credit, and in  
the absence of first party credit, with the third party's  
credit.

93. A computer program product according to claim 92,  
25 wherein the matching engine matches the quote submitted  
via the third party using the first party's credit, and in  
the absence of first party credit, with the third party's  
credit.

30 94. A computer program product according to claim 81,  
wherein the anonymous trading system includes a matching  
engine and a plurality of possible third parties and the  
code causes the matching engine to select a third party to  
conduct the deal on behalf of the first party.

35 95. A computer program product according to claim 81,  
wherein the anonymous trading system includes a plurality



of possible third parties and the code enables the first party using the third party to deal on their behalf to select which third party to use for a given deal.

5      96.    A computer program product according to claim 81, comprising program code for, on completion of the second deal, sending a deal ticket to each of the parties to the first and second deals.

10     97.    A computer program product according to claim 96, comprising code for sending a deal ticket to the third party for each of the first and second deals.

15     98.    A computer program product according to claim 89, wherein if the credit available for trades conducted on behalf of the first party falls below a defined level, the code causes the display to the first party of prices available by trading through the third party to be suppressed.

20     99.    A computer program product according to claim 87, comprising program code at the third party for assigning credit to each of the counterparties trading on the trading system with which the third party is willing to trade, comprising code for allocating a portion of the credit assigned to each counterparty to the deal code assigned to deals conducted on behalf of other parties.

30     100.   A computer program product according to claim 81, comprising program code for executing a third deal between the first party and a customer of the first party for the same amount as the first and second deals.

35     101.   A computer program product according to claim 81, comprising program code at the first party for entering a list of hedge funds into the trading system.

102. A computer program product according to claim 101, comprising program code for providing the funds list to the third party.

5 103. A computer program product according to claim 101, comprising program code at the third party for mapping the plurality of funds onto codes held by the third party.

10 104. A computer program product according to claim 101, comprising program code for breaking out deal information received from a deal feed into a plurality of linked deals related to the plurality of funds in the hedge fund.

15 105. A computer program product according to claim 81, wherein the trading system comprises a plurality of possible third parties, comprising program code at a first party for displaying to the first party the best price available by trading via a possible third party.

20 106. A computer program product according to claim 105, comprising program code at a first party for displaying to the first party, the best price available by trading in each of a plurality of possible third parties.

25 107. A computer program product according to claim 81, wherein the trading system comprises a matching engine matching orders received from counterparties in accordance with matching rules including a price, time priority rule, the product including program code for overriding the  
30 matching rules to match quotes submitted by the third party trading on its own behalf with quotes submitted by the first party in preference to other earlier quotes at the same price.

35 108. A computer program product according to claim 81, comprising program code for permissioning, by a first

party, of the third party to view orders submitted by the third party on behalf of the first party.

109. A computer program product comprising a computer  
5 readable storage medium having stored thereon program code which when run on an anonymous trading system comprising a plurality of counter-parties, performs the steps of:

displaying to a first trading party on the system  
the best price available by trading through a third party;  
10 executing a first deal between the third party and the party offering the best price; and

executing a second deal between the third party and the first trading party for the same amount as the amount of the first deal.

15

110. An anonymous trading system for trading fungible instruments, comprising:

a matching engine for matching orders submitted to the system for execution of trades;

20 a plurality of trading floors each for submitting electronic trading messages to the matching engine;

a market distributor for distributing to each trading floor a market view unique to the trading floor and including the best price in the market with which the trading floor has bilateral credit, and for distributing  
25 to selected trading floors the best price available by trading via a third party trading floor; wherein

the selected trading floors include means for causing the third party trading floor to execute a first  
30 deal at the best price available to the third party trading floor, and to execute a second deal between the trading floor and the third party trading floor for the amount of the first deal.

35 111. A method of trading instrument s on an anonymous trading system in which a matching engine matches orders submitted by counterparties on the basis of order price

and bilateral credit between counterparties, comprising,  
in the absence of credit between a first and a second  
party, utilising the credit of an intermediary party  
having bilateral credit with both the first and second  
5 parties to enable first and second party orders to be  
matched.

112. A method according to claim 111, wherein the credit  
of the intermediary is utilised by executing a trade  
10 between the intermediary and the second party and a trade  
for the same amount between the intermediary and the first  
party wherein the trade between the intermediary and the  
second party is conducted using a virtual trading floor  
unique to trades by the intermediary on behalf of other  
15 parties.

113. An anonymous trading system for trading fungible  
instruments, comprising a matching engine for matching  
orders submitted by counterparties on the basis of price  
20 and bilateral credit between counterparties, the matching  
engine, in the absence of credit between a first and a  
second party, utilising the credit of an intermediary  
party having bilateral credit with both the first and  
second parties to enable first and second party orders to  
25 be matched.

114. A method according to claim 113, comprising a prime  
broker deal code assigned by the intermediary to trades  
made on behalf of other parties utilising the  
30 intermediary's credit, wherein the matching engine matches  
orders identified by the prime broker deal code with  
counterparty orders thereby to utilise the intermediaries  
credit to enable the first party to trade with the second  
party.